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DEPARTMENT OF COMMERCE

International Trade Administration

A-583-850

Certain Oil Country Tubular Goods From Taiwan: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department determines that imports of certain oil country tubular goods from Taiwan are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The final weighted-average dumping margins of sales at LTFV are listed in the “Final Determination” section of this notice.

DATES: EFFECTIVE DATE: [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Thomas Schauer or Hermes Pinilla, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0410 or (202) 482-3477, respectively.

SUPPLEMENTARY INFORMATION

Background

On February 25, 2014, the Department of Commerce (the Department) published its preliminary determination of sales at less than fair value (LTFV) in the antidumping duty

investigation of certain oil country tubular goods from Taiwan.¹ In the *Preliminary Determination*, we postponed the final determination until no later than 135 days after the publication of the *Preliminary Determination* in accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii) and invited parties to comment on our *Preliminary Determination*. We received case and rebuttal briefs from Maverick Tube Corporation (one of the petitioners),² CHS, and Tension in May 2014. On May 21, 2014, we conducted a hearing in this investigation.

Period of Investigation

The period of investigation is July 1, 2012, through June 30, 2013.

Scope of the Investigation

The merchandise covered by the investigation is certain oil country tubular goods (OCTG), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock.

¹ See *Certain Oil Country Tubular Goods From Taiwan: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 79 FR 10495 (February 25, 2014) (*Preliminary Determination*). On April 3, 2014, the Department published an amended preliminary determination to correct a ministerial error. See *Certain Oil Country Tubular Goods From Taiwan: Amended Preliminary Negative Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 79 FR 18667 (April 3, 2014).

²Boomerang Tube, Energex Tube, a division of JMC Steel Group, Maverick Tube Corporation (Maverick), Northwest Pipe Company, Tejas Tubular Products, TMK IPSCO, United States Steel Corporation, Vallourec Star, L.P., and Welded Tube USA Inc. (collectively, the petitioners)

Excluded from the scope of the investigation are: casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors. The merchandise subject to the investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers:

7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50.

The merchandise subject to the investigation may also enter under the following HTSUS item numbers: 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.39.00.36, 7304.39.00.40, 7304.39.00.44, 7304.39.00.48, 7304.39.00.52, 7304.39.00.56, 7304.39.00.62, 7304.39.00.68, 7304.39.00.72, 7304.39.00.76, 7304.39.00.80, 7304.59.60.00, 7304.59.80.15, 7304.59.80.20, 7304.59.80.25, 7304.59.80.30, 7304.59.80.35, 7304.59.80.40, 7304.59.80.45, 7304.59.80.50, 7304.59.80.55, 7304.59.80.60, 7304.59.80.65, 7304.59.80.70, 7304.59.80.80, 7305.31.40.00, 7305.31.60.90, 7306.30.50.55, 7306.30.50.90, 7306.50.50.50, and 7306.50.50.70.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

Analysis of the Comments Received

All issues raised in the case briefs by interested parties are addressed in the Issues and Decision Memorandum.³ A list of the issues which parties raised and to which we responded is attached to this notice as an Appendix. The Issues and Decision Memorandum is a public document and is on file electronically *via* IA ACCESS. IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and it is available to all parties in the Central Records Unit (CRU), room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Determination

Based on our analysis of the comments received, pre-verification corrections, and our findings at verifications, we made certain changes to the margin calculations for Chung Hung Steel Corp. (CHS) and Tension Steel Industries Co., Ltd. (Tension).⁴

Verification

As provided in section 782(i) of the Act, we conducted sales and cost verifications of the questionnaire responses submitted by CHS and Tension. We used standard verification

³ See the memorandum from Deputy Assistant Secretary Christian Marsh to Acting Assistant Secretary Ronald K. Lorentzen entitled "Issues and Decision Memorandum for the Final Affirmative Determination in the Less than Fair Value Investigation of Certain Oil Country Tubular Goods from Taiwan" dated concurrently with this notice and hereby adopted by this notice (Issues and Decision Memorandum).

⁴ For a discussion of these changes, see Memorandum to Neal Halper entitled "Cost of Production and Constructed Value Calculation Adjustments for the Final Determination - Chung Hung Steel Corp.," Memorandum to Neal Halper entitled "Cost of Production and Constructed Value Calculation Adjustments for the Final Determination - Tension Steel Industries Co., Ltd.," Memorandum to the File entitled "Final Determination of Sales at Less Than Fair Value in the Antidumping Duty Investigation of Certain Oil Country Tubular Goods from Taiwan - Analysis Memorandum for Chung Hung Steel Corp.," and Memorandum to the File entitled "Final Determination of Sales at Less Than Fair Value in the Antidumping Duty Investigation of Certain Oil Country Tubular Goods from Taiwan - Analysis Memorandum for Tension Steel Industries Co., Ltd.," dated concurrently with this notice.

procedures, including examination of relevant accounting and production records, as well as original source documents provided by both companies.⁵

Final Determination

The Department determines that the following weighted-average dumping margins exist for the period July 1, 2012, through June 30, 2013:

Manufacturer/Exporter	Weighted-Average Margin (percent)
Chung Hung Steel Corp.	0.00
Tension Steel Industries Co., Ltd.	2.52
All Others	2.52

Suspension of Liquidation

Pursuant to section 735(c)(1)(C) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of certain oil country tubular goods from Taiwan – with the exception of subject merchandise produced and exported by Chung Hung Steel Corp., for which we found no weighted average dumping margin - which were entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. With the exception of subject merchandise produced and exported by Chung Hung Steel Corp., we will instruct CBP to require a cash deposit equal to the weighted-average amount by which normal value exceeds U.S. price, as

⁵ See Memorandum to the File entitled “Verification of the Third-Country and U.S. Sales of Chung Hung Steel Corp. in the Antidumping Duty Investigation of Certain Oil Country Tubular Goods from Taiwan,” dated March 31, 2014, Memorandum to the File entitled “Verification of the Sales Response of Tension Steel Industries Co., Ltd., in the Less-Than-Fair-Value Investigation of Certain Oil Country Tubular Goods from Taiwan,” dated April 4, 2014, Memorandum to the File entitled “Verification of the Cost Response of Chung Hung Steel Corp. in the Antidumping Duty Investigation of Oil Country Tubular Goods (“OCTG”) from Taiwan,” dated April 22, 2014, and Memorandum to the File entitled “Verification of the Cost Response of Tension Steel Industries Co., Ltd. in the Antidumping Duty Investigation of Certain Oil Country Tubular Goods from Taiwan,” dated April 22, 2014.

follows: (1) the rate for Tension Steel Industries Co., Ltd., will be the rate we determined in this final determination; (2) if the exporter is not a firm identified in this investigation but the producer is, the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 2.52 percent, as discussed in the “All Others Rate” section, below. These suspension of liquidation instructions will remain in effect until further notice.

All Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated “all others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely under section 776 of the Act. Because the margin for Chung Hung Steel Corp. was zero, we assigned as the all others rate the margin calculated for Tension Steel Industries Co., Ltd., the only margin we calculated that was neither *de minimis* nor determined under section 776 of the Act; that rate is 2.52 percent.

U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, we notified the U.S. International Trade Commission (ITC) of our final determination. As our final determination is affirmative and our amended preliminary determination was negative, in accordance with section 735(b)(3) of the Act, the ITC will determine within 75 days whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of the subject merchandise. If the ITC determines that such injury exists, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the

subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Return or Destruction of Proprietary Information

This notice serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination is issued and published pursuant to sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(b).

Dated: July 10, 2014.

Ronald K. Lorentzen,
Acting Assistant Secretary,
for Enforcement and Compliance.

APPENDIX

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Margin Calculations
- V. Discussion of the Issues
 - 1. Affiliation
 - 2. Collapsing
 - 3. Rebates
 - 4. Date of Sale
 - 5. Treatment of Non-Prime Pipe
 - 6. Depreciation
 - 7. Value Added Tax
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- VI. Recommendation

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